

FILED

FEB 20 2024

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

Joanne Eng
10120 W. Flamingo Rd. Suite 4
Las Vegas, NV 89148
Email: jwaneng9@gmail.com

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re: LEGAL RECOVERY LLC

Debtor

) Bankruptcy Court Case No: 24-30074 DM 11

)
) NOTICE OF MOTION AND MOTION TO
) CONVERT DEBTOR'S CHAPTER 11 INTO
) CHAPTER 7 PURSUANT TO 11 U.S. CODE
) § 303(a) AND/OR TO APPOINTMENT OF
) TRUSTEE OR EXAMINER PURSUANT TO
) 11 U.S. CODE § 1104.

)
)
) Hearing Date: March 29, 2024

) Time: 1:30 pm

) Judge: Hon. Dennis Montali

) Place: 450 Golden Gate Ave.,
16 Floor, Court Rm. 17
San Francisco, CA 94102

NOTICE OF MOTION

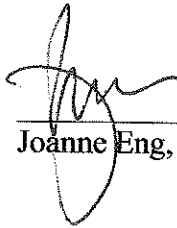
TO ALL PARTIES AND THEIR ATTORNEY OF RECORD:

NOTICE IS HEREBY GIVEN that on the above mentioned date, place, and time or as soon thereafter as the matter may be heard, Co-Owner of the Debtor, will move the Court to convert the currently on file case from Chapter 11 filed by Demas Yan ("Yan") into Chapter 7.

1 This Motion to Convert will be based on this notice of motion, on the declaration of
2 Joanne Eng ("Eng"), on the memorandum of points and authorities served and filed herein, and
3 on such and other evidence as may be presented at the hearing of the Motion.

4 Dated: February 17, 2024

5 Respectfully submitted,

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8 Joanne Eng, Co-Owner
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13 **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT**

14
15 **INTRODUCTION**

16 Eng believes that this Motion to Convert will stop Yan's vexatious litigations scheme and
17 fraudulent claims.

18 Yan claimed, at the filing of the petition to Chapter 11 (docket Doc #1), that Legal
19 Recovery has only one creditor which is an obvious fraud on the court. Legal Recovery, in fact is
20 Yan, has multiple debts and judgments.

21 Undeterred by his losses at every court level to his creditors, Yan refuses to let his cases
22 die and determines to abuse the legal system for his personal agenda. Legal Recovery is just a
23 cell and the instant filing bankruptcy is just a game used by Yan to prejudice me.

24 As demonstrated below, the Court should grant this Motion to Convert and/or order the
25 appointment of a trustee.

1 **BACKGROUND FACTS**

2 Yan is deemed vexatious litigant by this Court on December 23, 2013 by Hon. Judge
3 Thomas E. Carlson under Yan Chapter 7 case No. 04-33526 (AP No. 12-03129, Doc #27 & 28)
4 and by the San Francisco Superior Court in 2015. Legal Recovery is deemed vexatious litigant
5 and alter ego of Yan by the San Francisco Superior Court in 2023. Yan is disbarred for
6 committing 27 counts of misconduct by the California State Bar in 2017 and the California
7 Supreme Court affirmed the State Bar's disbarment in 2018.

8 Yan has a long running scheme to try to steal my property namely Lombard Street
9 Property. This Court's January 4, 2015, Order of Contempt (Yan appealed it and the District
10 Court affirmed it in full), should be the end of the Yan scheme. See this 2015 Order at the Eng
11 Decl. at Exhibit A. However, Yan took his claim to San Francisco Superior Court and "won a
12 judgment" and then foreclosed the Lombard Street Property without noticing me. In effect,
13 Yan's instant claims in the name of Legal Recovery to overturn the previous final Orders of this
14 Court and the District Court shall be deemed null and void (I will address this in a separate
15 motion).

16 Now, I am forced to claim myself the Co-Owner of Legal Recovery because I am part
17 owner to the Lombard Street Property. Legal Recovery claims that it owns the whole Lombard
18 Street Property then I am the natural or legitimate part owner of it.

19 In the interest of justice and in preventing Yan from abusing the legal system and
20 harassing me, the Court should convert this sham filing of Chapter 11 into Chapter 7 and
21 appointment of a trustee.

22
23 **ARGUMENT**

24 **A. Legal Standards Governing Motion to Convert**

25 Because Legal Recovery's instant filing and petition for Chapter 11 is a sham, this
Chapter 11 should be converted to Chapter 7 under the proper administration of a bankruptcy

1 court trustee.

2 11 U.S. Code § 303(a) states that "An involuntary case may be commenced only under
3 chapter 7 or 11 of this title, and only against a person, except a farmer, family farmer, or a
4 corporation that is not a moneyed, business, or commercial corporation, that may be a debtor
5 under the chapter under which such case is commenced."

6 Under 11 U.S. Code § 1104(a)(1)(2), appointment of trustee or examiner is a must,
7 otherwise, it would allow Yan to abuse the bankruptcy process. The Code specifies that "(a) At
8 any time after the commencement of the case but before confirmation of a plan, on request of a
9 party in interest or the United States trustee, and after notice and a hearing, the court shall order
10 the appointment of a trustee—(1) for cause, including fraud, dishonesty, incompetence, or gross
11 mismanagement of the affairs of the debtor by current management, either before or after the
12 commencement of the case, or similar cause, but not including the number of holders of
13 securities of the debtor or the amount of assets or liabilities of the debtor; or (2) if such
14 appointment is in the interests of creditors, any equity security holders, and other interests of the
15 estate, without regard to the number of holders of securities of the debtor or the amount of assets
16 or liabilities of the debtor.

17
18 **B. The Legal Recovery Chapter 11 is a Fraud and Convert it to Chapter 7 is Proper**
19 **and Just**

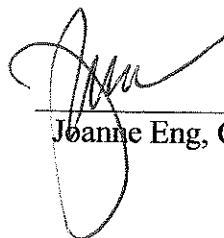
20 No doubt, Yan uses the name of others to disguise and to defraud. This is exactly what
21 this filing of Chapter 11 reflected. Because Legal Recovery is just a cell and a cell game is
22 played by Yan to the detriment of his creditors, this Court should convert the Legal Recovery
23 Chapter 11 into Chapter 7 or at the very least, the Court should appoint a trustee to prevent fraud
24 and abuse.

1 **CONCLUSION**

2 For any and all of the aforementioned reasons, the Court should grant the Motion.

3 Dated: February 17, 2024

4 Respectfully Submitted

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7 Joanne Eng, Co-Owner

PROOF OF SERVICE

Case No.: 24-30074 DM 11

I am a legal resident of the United States, over the age of eighteen.
My address is 10120 W. Flamingo Rd., Suite 4, Las Vegas, NV 89148.

On February 20, 2024, I served the attached:

NOTICE OF MOTION AND MOTION TO CONVERT DEBTOR'S
CHAPTER 11 INTO CHAPTER 7 PURSUANT TO 11 U.S. CODE §
303(a) AND/OR TO APPOINTMENT OF TRUSTEE OR EXAMINER
PURSUANT TO 11 U.S. CODE § 1104

On the interested parties as follows:

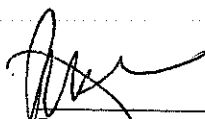
William Leeds Disston
Attorney for Debtor Legal Recovery LLC
409 13TH STREET, FLOOR 9
OAKLAND, CA 94612
510-835-8110

VRMTG ASSET TRUST
C/O FAY SERVICING, LLC
C/O ZBS LAW LLP
Creditor
30 Corporate Park, Suite 450,
Irvine, CA 92606

Bryant Fu
Creditor
337 28th Avenue
San Francisco, CA 94121

 X BY FIRST CLASS MAIL: On the interested party named above in said
cause, by placing a true copy thereof enclosed in a sealed envelope with the postage
thereon fully prepaid, in the United States mail at Postal Office, Las Vegas addressed as
the above:

I declare under penalty of perjury that the foregoing is true and correct.



Joanne Eng